TV Practices May Cause Probe

By Drew Pearson

Fred Friendly's resignation as head of CBS News over his superiors' refusal to broadcast all of the Senate testimony on Vietnam may touch off a congressional probe of TV network profits and network domination of other lines of business.

Pearson

Friendly resigned when new CBS president Jack Schneider and other dollar-dedicated CBS executives decided to show a rerun of "I Love Lucy," featuring Lucille Ball and Desi Arnaz, instead of the Senate testimony of former Ambassador George Kennan on the vital problem facing the United States in Southeast Asia.

The network saved $170,000. The public missed getting the advice of an expert on one of the most important developments in the world which is already costing American lives and will cost a lot more.

Airwaves Leased

This has aroused some members of the House Interstate Commerce Committee to recall what Madison Avenue seems to have forgotten; namely, that the TV-radio airwaves belong to the people and are only leased to the networks on a temporary basis.

When Rep. Oren Harris (D-Ark.), a former TV station stockholder himself, was chairman of the House Interstate Commerce Committee, he went down the line for the networks. When the late Sam Rayburn put through a probe of the regulatory agencies, Harris fired the counsel, Dr. Bernard Schwartz, when he wanted to probe too deeply. Instead Harris conducted a scratch-the-surface investigation of disc jockey payola and quiz programs which made headlines but reformed little.

New Committee Chairman Harley Staggers (D-W.Va.), however, is not easily pushed around. He also has some tough Congressmen on his committee — Torbert Macdonald (Mass.), John Moss (Calif.), John Dingell (Mich.), Democrats; with William Springer (Ill.), Ancher Nelsen (Minn.), Republicans; who don't take dictation from Madison Avenue.

TV Profits Soar

Most people don't realize that TV advertising has soared to the point where NBC had billings of around half a billion dollars last year. This gave NBC about 24 per cent of the huge business of its parent company, the Radio Corp. of America, one of the bigger defense contractors of the Nation.

This is another aspect in which some Congressmen are interested. How much is national policy influenced by defense contractor-owned television?

The Justice Department has forced the motion picture companies to divest themselves of their theaters, so that the Hollywood producers cannot show their product in kept theaters. This divestiture has brought new competition and a vast improvement in motion pictures.

The TV networks, however, require most of their filmed productions to be done under their direction, thus cutting themselves in on both the production profit and the profit from selling advertising time. Because of this ban on outside producers, fewer and fewer independents are able to exist today.

Law Unto Itself

The railroads are not permitted to go into the steamship business. The aircraft manufacturers are barred by law from owning more than a small percentage of the airline business. However, there are no restrictions on the TV networks.

Thus CBS has purchased the New York Yankees, "My Fair Lady," and Allyn and Pacon Publishing. General Electric and Time-Life, both big TV station owners, have formed a partnership to enter the educational field. Storer Broadcasting, with 12 radio and TV stations, has been making so much money that it has purchased 87 per cent of Northeast Airlines.

Metromedia has purchased Diplomat magazine, Ice Capades and Foster and Kleiser Outdoor Advertising.

The influence of Madison Avenue has even crept into educational television. The National Educational Television Network, noncommercial and therefore supposed to be immune from advertiser pressure, recently held up an expose of prescription drugs because of pressure from Smith, Kline and French Laboratories, manufacturers of Contac.

Contac's manufacturers protested the remarks, filmed in advance, of Yale Prof. William M. O'Brien, medical adviser to the Consumers Union, who discussed the merits of medicines by name.

The National Educational Television Network, which has had a tough time staying alive without advertising, has received contributions from various drug companies. In January Bristol-Myers made a contribution of $250,000 to Channel 13, the NET outlet in New York, to produce programs on the fine arts. Earlier Smith, Kline and French, manufacturers of Contac, had contributed to NET for a 90-minute drama on mental health.

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